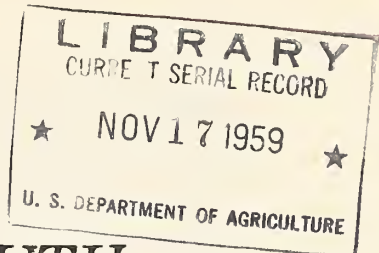
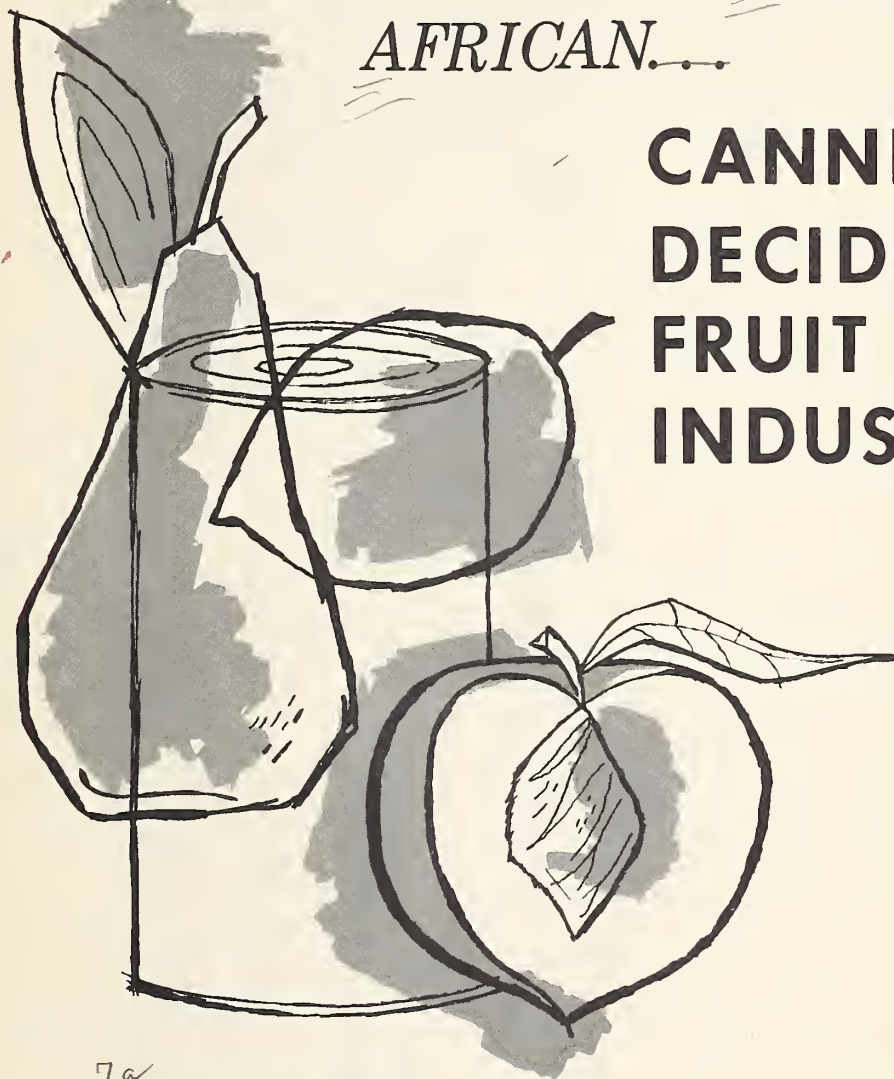


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**AUSTRALIAN and SOUTH
AFRICAN...**

**CANNED
DECIDUOUS
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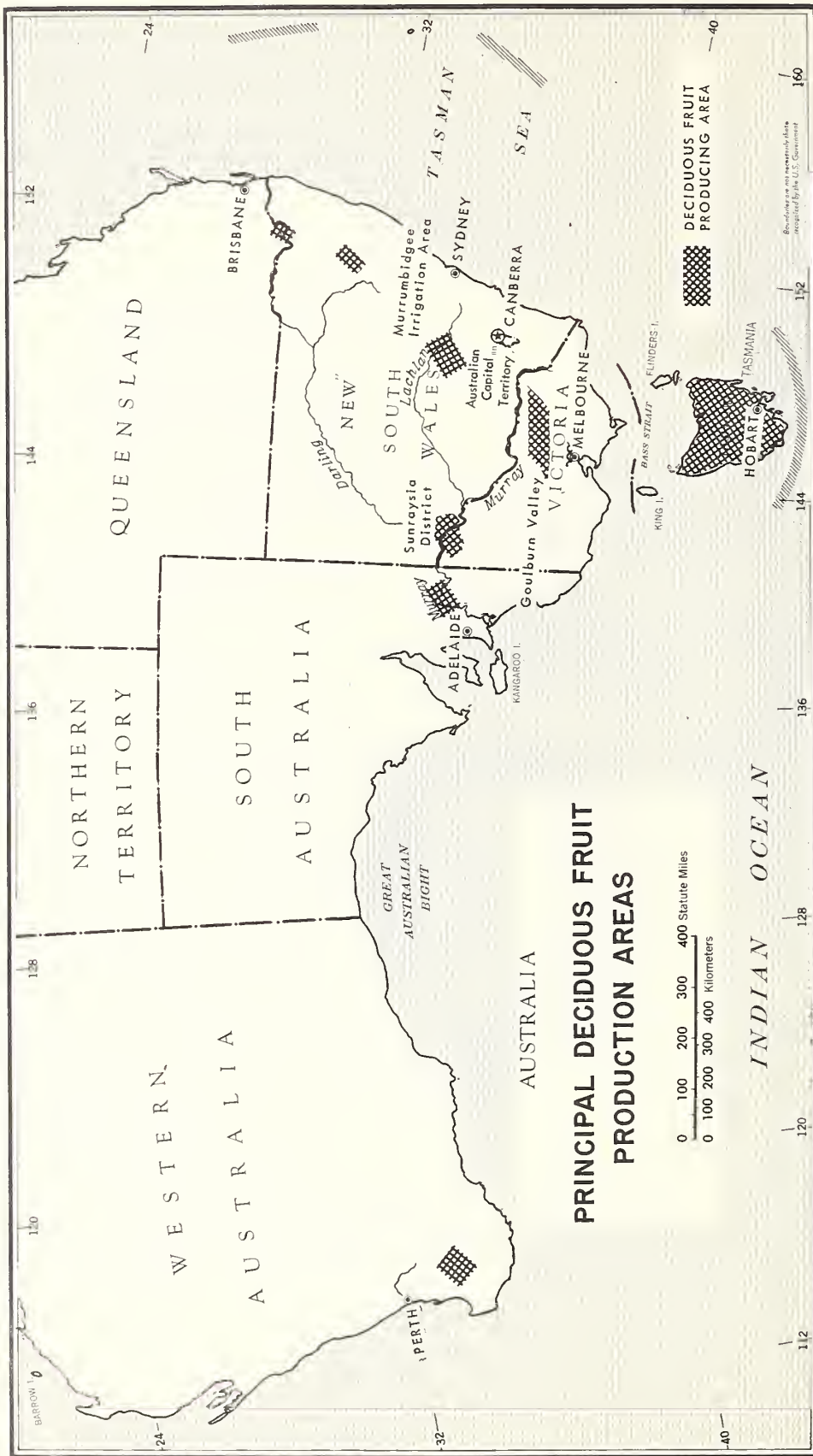
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Foreign Agricultural Service

UNITED STATES DEPARTMENT OF AGRICULTURE



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FOREWORD

In order to gain a better understanding of the competitive positions of the Australian and South African deciduous fruit processing industries in world canned fruit trade, Frank C. Elliott, Director of the Foreign Trade Department of the Canners League of California, conducted an on-the-spot survey of the canning industries of each country. His observations were supplemented with information supplied by the U. S. agricultural attaché staffs in Canberra and Pretoria. Reports from Cornelis de Goede of Canberra were particularly helpful.



D. M. Rubel, Director
Fruit and Vegetable Division

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THE AUSTRALIAN AND SOUTH AFRICAN CANNED DECIDUOUS FRUIT INDUSTRIES

By Frank C. Elliott
Canners League of California

SUMMARY

Australia and the Union of South Africa rank next to the United States in production of canned deciduous fruit. In 1957-58,¹ Australia and South Africa together packed nearly 10 million standard cases of canned deciduous fruit--nearly 11 percent of the world output.

Unlike the United States, which sells most of its pack at home, Australia and South Africa export more than half their combined output. As members of the British Commonwealth, they have ready access to the U. K. market--the largest market for canned deciduous fruits outside the United States. Before World War II, the United Kingdom imported most of its canned fruits from the United States, but since then, controls have limited the imports of canned fruits from the dollar area.

In 1958 the United Kingdom imported nearly 7-1/2 million standard cases of canned peaches, pears, and apricots--about three-fifths of the world trade in these items. Of this total, Australia furnished 43 percent, South Africa 34 percent, and the United States about 8 percent.

Australia's canned fruit output appears to be leveling off, but South Africa is in the midst of a program of rapid expansion with substantial production increases recorded from season to season.

In both South Africa and Australia, processing plants are for the most part modern and capable of efficient operation. Though South Africa has an abundance of low-cost field and factory labor and is closer to its principal market, some of the advantages are offset by inefficiencies in labor. Also, the low incomes of the majority of the population mean limited opportunities for domestic sales of canned fruit. Australia's relatively high living standards make for a grow-ing market for much of its canned fruit production.

Both Commonwealth countries are adopting better fruit varieties and production practices, but much of the raw fruit harvested is such that the percentages of the total packs making top-quality grades are somewhat lower than for U. S. fruits.

PRODUCTION OF FRESH FRUIT FOR CANNING

The principal canning fruit producing section of Australia is the Goulburn Valley of Victoria State. This area supplies two-thirds of all Australian canning peaches, four-fifths of the canning pears, and about one-third of the apricots used for canning. Other important centers of canning peach, pear, and apricot production are the Murrumbidgee Irrigation Area of New South Wales and the Murray Valley in South Australia, the latter principally a source of freestone peaches and canning apricots.

Of South African deciduous fruit production, 90 percent takes place in the Western Cape Province and Langkloof. Though a few early peaches and plums are grown in the South African Transvaal, and the Langkloof area adjacent to Port Elizabeth is expanding, most South African deciduous fruits are grown in the succession of valleys bordered by high mountains in the vicinity of Cape Town. The South African deciduous fruit canning industry is centered in or near the cities and towns of Port Elizabeth, Cape Town, Paarl, Worcester, Elgin, Somerset and Wellington.

¹ Harvest of Australian and South African deciduous fruit usually commences around mid-November with canning plants opening shortly afterwards when canning varieties mature. Most canneries operate from 3 to 4 months, frequently concluding operations with pears taken from cold storage. For this reason, split years are used to designate production and canning seasons. Thus, fruit grown in 1957 and processed during the months corresponding to the U. S. winter, is reported herein as the 1957-58 pack, even though most sales from this pack would be made in calendar 1958.

TABLE 1.--Deciduous fruit, fresh: Production and estimated percentage processed, 1947-48 and 1956-57, South African forecast 1960-61

Country and variety	1947-48	1956-57	1960-61 ¹
Australia:	<i>Short tons</i>	<i>Short tons</i>	<i>Short tons</i>
Peaches.....	66,651	52,296	--
Pears.....	72,900	103,625	--
Apricots.....	34,902	34,008	--
Total.....	174,453	189,929	--
Percentage processed ²	<i>Percent</i> 36.6	<i>Percent</i> 52.7	<i>Percent</i> --
South Africa:	<i>Short tons</i>	<i>Short tons</i>	<i>Short tons</i>
Peaches.....	18,705	43,345	62,300
Pears.....	21,950	42,395	56,000
Apricots.....	14,775	21,220	30,800
Total.....	55,430	106,960	149,100
Percentage processed ²	<i>Percent</i> 73.1	<i>Percent</i> 71.5	<i>Percent</i> 75.1

¹ Forecast.

² Includes canned and dried fruit.

Trees

According to the official tree counts made in Australia during 1952 and 1955, deciduous fruit tree numbers are approaching a nearly stable level. Small increases in production, however, continue to take place as younger trees, usually of better-adapted varieties, come into bearing. Improvements in production practices are also tending to increase output. Since the 1956 damage from excessively wet soil conditions, there has also been some shifting to sites with better drainage.

TABLE 2.--Deciduous fruit: Number of trees by types, bearing and nonbearing, 1952 and 1955

Country and tree	Peaches		Pears		Apricots		Total	
	1952	1955	1952	1955	1952	1955	1952	1955
Australia:	<i>1,000 trees</i>	<i>1,000 trees</i>	<i>1,000 trees</i>	<i>1,000 trees</i>	<i>1,000 trees</i>	<i>1,000 trees</i>	<i>1,000 trees</i>	<i>1,000 trees</i>
Bearing.....	1,954	1,888	1,834	1,870	1,086	1,100	4,874	4,858
Nonbearing.....	486	430	264	273	266	228	1,016	931
Total.....	2,440	2,318	2,098	2,143	1,352	1,328	5,890	5,789
South Africa ¹								
Bearing.....	708	861	552	635	2,440	2,114	3,700	3,610
Nonbearing.....	894	872	433	566	926	1,104	2,253	2,542
Total.....	² 1,602	² 1,733	985	1,201	3,366	3,218	5,953	6,152

¹ Western Province and Langkloof production areas only.

² Clingstone peaches only--freestone peaches (bearing and nonbearing) totaled 1,317,000 in 1952 and 1,098,000 in 1955.

In South Africa, fruit tree planting has continued without pause since World War II. Trees set out 3 to 5 years ago are now coming into bearing and are beginning to make a substantial impact upon the volume of fruit harvested. More than 40 percent of the trees planted in 1955 in the principal production areas have yet to reach bearing.

Varieties

The principal canning apricot variety of South Australia is the Moorpark, with the Tilton, Shipley, and Trevatt varieties favored in Victoria and New South Wales. On the other hand, nearly 95 percent of all South African apricot trees are Royals, with Bulidas comprising most of the remaining 5 percent.

Many varieties of cling peaches are grown in Australia's Goulburn Valley, with Levis, the most popular early variety. Phillips and Golden Queen are the most widely produced midseason varieties; Pullar is the chief late season variety. (The Goulburn Valley accounts for two-thirds of all Australian canning peaches.) In the Murrumbidgee Irrigation Area of New South Wales, more than a third of all plantings of peaches are Golden Queens, with Pullar, Phillips, and several other varieties comprising the remainder. Among the freestone peaches, the Elberta is the most popular variety; production of freestones is centered in the State of South Australia.

In South Africa, the Kakamas variety of peach accounts for two-thirds of all cling peaches grown. When canned, it develops a rich-colored firm fruit. It is considered a midseason variety. Goosen clings have also been heavily planted and should rank high in future production. Keimos, Maluti, and Tokane are other South African peach varieties now under consideration as possibilities for extending the cling peach canning season from its present 7 weeks to from 12 to 14 weeks.

The principal canning pear of Australia is the Williams Bon Chretien, commonly known in the United States as the Bartlett. Until 1954-55, it was the only variety canned. Then increasing amounts of the less suitable Packham's Triumph were canned. Currently the trend is away from the Triumph, owing to increased supplies of Bon Chretien pears and other fruits.

Disease and Pest Controls

Sprays applied to apples and pears in South African orchards during the growing season are DDT, organic phosphates, captan, and dithiocarbomates. Copper compounds are also used but not generally during the fruiting periods.

Sulfur is used to control mildew on peaches, apricots, and plums, while parathion and malathion are applied for fruit fly control.

Australian methods for controlling deciduous fruit pests and diseases are similar to those followed in South Africa. The codling moth is regarded as the most serious pome-fruit pest in Australia. DDT sprays are used to limit its inroads on production, and organic phosphates, such as parathion and malathion, are commonly applied. Benzene hexachloride and lindane are commonly used insecticides for control of woolly aphids, while lime-sulfur is used on red mite or red spider infestations. Parathion and malathion are also used for this purpose. Brown rot is controlled by a combination of lime-sulfur and Bordeaux sprays.

Average Yields

Yields from Australian and South African apricot, peach, and pear trees are generally lower than those obtained from U. S. commercial orchards. The difference, however, is being narrowed as improved varieties and better cultural practices are being adopted. In 1951, average yields for the three major fruits in Australia's Goulburn Valley were reported as:

	<i>Short tons per 100 trees</i>
Apricots	3.3
Peaches	4.5
Pears	7.0

Slightly higher yields were reported for the Murrumbidgee Irrigation Area.

Yields in South African orchards are increasing slowly. When the 1955 tree census was made in the Western Province and Langkloof Valley, yields per 100 peach trees were said to be 4 short tons. For pear trees, the average yield during this period was 6 1/2 tons.

In early 1957, Australian and South African commercial orchards were averaging 5 to 6 tons of peaches per acre.

Farm Labor

South Africa possesses an abundance of farm and orchard labor which is available at low cost. Wages for farmhands in South Africa are very much lower than those in the United States and Australia. They averaged from \$9 to \$13 per month in 1957 with an allowance of about \$11 for food and shelter. Australian farm labor wages were more comparable to those received in the United States, and ranged between \$160 and \$170 per month.

Land Values

Australian farmland suitable for fruit production is relatively high priced. Conservative estimates for land planted to orchards ranged from \$600 to \$800 per acre in 1957. Suitable agricultural land for South African orchards is high priced also. The initial costs plus the ever-present menace of the fruit fly tend to check the rate of South African orchard expansion.

GROWER FRUIT PRICES

The South African Deciduous Fruit Board is the sole seller of pears to canners. The Board arranges the allocations of tonnages and prices, and is also the final arbiter on grades. It collects from the canner and pays the grower. It also supplies the lug boxes. Deliveries under this arrangement are directly from grower to canner. Fresh peach prices for the canning industry are established by the Canners Council; under a price agreement, separate contracts are made directly between canner and grower. Advance prices paid to South African growers for peaches, pears, and apricots delivered to the cannery during 1957-58, and for 1958-59 where available, were:

Peaches:	1957-58	1958-59	Pears:	1957-58
Yellow clingstone:	<i>Dol. per ton</i>	<i>Dol. per ton</i>	Bon Chretien	
Super grade.....	95	76	(Bartlett):	<i>Dol. per ton</i>
1st grade.....	84	63	Selected.....	90
2nd grade.....	56	42	Choice.....	75
3rd grade.....	28	22	Standard.....	41
Freestone:			Packham's Triumph:	
1st grade.....	59	39	Selected.....	66
2nd grade.....	39	28	Choice.....	53
3rd grade.....	22	17	Standard.....	28
Apricots:			Other varieties:	
1st grade.....	81	66	Selected.....	61
2nd grade.....	56	48	Choice.....	48
3rd grade.....	28	25	Standard.....	28

Australian fruit growers are paid minimum prices, which are set by the Australian Fruit Industry Sugar Concession Committee. However, in some seasons supplemental payments--in addition to the minimum price--are also made. The 1957-58 and 1958-59 schedules of minimum prices approved by the Committee were:

	1957-58	1958-59	Peaches:	1957-58	1958-59
	<i>Dol. per ton</i>	<i>Dol. per ton</i>		<i>Dol. per ton</i>	<i>Dol. per ton</i>
Apricots.....	90	70	Clear clingstones....	112	92
			Other ".....	108	88
Pears:			Freestones.....	70	60
Bon Chretiens.....	96	76			
Packham's Triumph.....	72	60			

Australian canners received domestic sugar rebates; but to qualify, canners must purchase their raw fruit from growers at not less than the minimum prices.

Two separate concessional rebates on sugar prices are available to Australian fruit canners. The first, a rebate of approximately \$4.40 per ton, is payable on all sugar used by canners. A second concession (in 1958, from \$38 to \$40 per ton), is also paid on the sugar content of the canned fruit exported. This rebate is based on the price of refined sugar from the cheapest possible source c.i.f. Australian ports basis. In recent months the basis has been the price of refined beet sugar from East Germany, and the rebate amounts to the difference between this price and the Australian domestic price less the \$5.13 rebate already paid. With an established internal price of about \$171 per short ton for sugar in 1958, the net cost to the canner could be as low as \$128 per ton, or something under 6.5 cents per pound. Funds for this purpose are provided by the Queensland Sugar Board from canegrowers' returns, and in effect the Queensland canegrowers receive for the sugar used by canners the world market price rather than the artificially high internal price.

During 1957 and 1958, the landed price for canners' refined sugar at various ports in South Africa amounted to \$92 per ton. No drawback or export rates were available to canners. Since most plants are some distance from the ports of entry, transportation costs to the cannery need to be added to obtain a delivered price.

PRODUCTION OF CANNED FRUITS

Australia's orchards were heavily damaged in 1956 by 8 months of almost continuous rainfall. Heaviest damage was sustained in the Murrumbidgee Irrigation Area, comprising the Griffith, Yenda, and Leeton-Yanco districts. Lesser losses also occurred in the Victoria portion of the Goulburn Valley. Both areas are production centers for apricots, cling peaches, pears, and, to some extent, citrus. The land in these areas is nearly level with insufficient natural drainage for carrying off surface and subsurface water, thereby creating waterlogged soil conditions particularly harmful to peach and apricot trees. A record high water table developed. The excessively wet conditions had little effect upon the more tolerant pear trees.

Tree losses in the Griffith area of the Murrumbidgee Irrigation District were unofficially estimated to be:

	<i>Acres</i>	<i>Percent of total</i>
Apricots	580	34
Peaches	1,710	45
Citrus	550	7

Both old and new trees were affected. The tree loss pattern was irregular because of slopes and other factors, such as previously installed tile drains.

In the Victoria area of the Goulburn Valley, where two-thirds of Australia's canning peaches are grown, it was initially thought that more than half the peach trees and one-third of the apricot trees would require removal. Actual losses, though substantial, were not as large as feared. Growers in all affected areas faced the problems of financing new plantings and obtaining qualified services from soil technicians, with shortages of suitable nursery stock adding to their difficulties.

Despite this setback, the Australian industry staged a remarkable recovery in just one season. The bumper 1957-58 harvest was largely due to ideal weather prevailing during the growing season which resulted in heavy yields from young trees in newly developed areas. Total Australian production of canned apricots, peaches, pears, and mixed fruits from the 1957-58 crop set a record of over 5.7 million cases, basis 24 No. 2 1/2 cans. Canned peach production by itself in 1957-58 amounted to 2.3 million cases (both clingstone and freestone), and was 55 percent larger than the 1956-57 pack. However, the 1957-58 apricot pack of 891,000 cases, though about 90,000 cases more than the output of the preceding season, was still well below the 1953-54 record of more than a million and a quarter cases.

The 1957-58 South African canned deciduous fruit pack (peaches, pears, apricots, and mixed fruits) was nearly 4 million standard cases and was about half again as large as the 2.7 million-case pack of 1956-57. Canned peaches comprised 60 percent of the four major items (canned peaches, pears, apricots, and mixed fruits) in the 1957-58 total, constituting most of the increase which took place between the two seasons.

While the Australian canned fruit production has leveled off in recent years, South African production has continued its sharp trend upward. For example, the average canned fruit pack in Australia during 1950-54 was 4.4 million cases. It reached 5.7 million cases by 1957-58, although the packs for 1955-56 and 1956-57 were much closer to the 5-year average. South African production averaged only 273,000 cases during 1934-38 and 1.6 million cases by 1950-54. By 1957-58, the South African pack had increased by 2 1/2 times to more than 4 million cases. A continued expansion of South African production is expected.

TABLE 3.--Deciduous fruit, canned: Total production in specified countries, average 1934-35 to 1938-39 and 1950-51 to 1954-55, annual 1954-55 to 1957-58

Country	Average		1954-55	1955-56	1956-57	1957-58
	1934-35 to 1938-39	1950-51 to 1954-55				
	1,000 cases ¹	1,000 cases ¹	1,000 cases ¹	1,000 cases ¹	1,000 cases ¹	1,000 cases ¹
Argentina.....	(2)	(2)	792	875	620	1,750
Australia.....	2,433	4,392	5,008	4,557	4,760	5,721
Canada.....	1,130	2,580	3,269	3,789	2,824	3,215
Denmark.....	(2)	40	55	25	78	90
France ³	(2)	202	117	67	35	65
Germany, West.....	(2)	(2)	2,096	1,465	2,356	1,382
Italy.....	(2)	(2)	896	946	1,095	1,095
Japan.....	(2)	(2)	774	975	2,102	2,788
Netherlands.....	(2)	931	1,584	1,311	1,673	4 952
Spain ⁵	(2)	(2)	41	196	344	629
South Africa.....	273	1,642	2,511	3,124	2,764	4,060
United Kingdom.....	(2)	2,177	2,399	3,300	3,585	2,694
United States.....	30,096	53,330	57,670	65,788	71,059	65,216
Total.....	33,932	65,294	77,212	86,418	93,295	89,657

¹ Cases of equivalent 24 No. 2 1/2 cans (45 lbs. net). ² Not available. ³ Exports, canned fruit in syrup. ⁴ Estimated from tonnage of raw fruit processed. ⁵ Exports.

TABLE 4.--Deciduous fruit, canned: Production by principal types, 1951-52 and 1957-58

Country and type	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58
	1,000 cases ¹	1,000 cases ¹	1,000 cases ¹	1,000 cases ¹	1,000 cases ¹	1,000 cases ¹	1,000 cases ¹
Australia:							
Peaches.....	1,913	1,770	2,565	2,172	1,789	1,477	2,292
Pears.....	1,277	1,262	1,718	1,835	1,817	2,166	2,229
Apricots.....	883	630	1,271	846	789	802	891
Mixed fruit.....	178	147	112	155	162	315	309
Total.....	4,251	3,809	5,666	5,008	4,557	4,760	5,721
South Africa:							
Peaches.....	450	859	1,021	1,285	1,485	1,486	2,393
Pears.....	204	284	203	297	438	402	490
Apricots.....	235	440	642	806	1,021	577	600
Mixed fruit.....	nsc	65	38	60	93	256	500
Total.....	889	1,648	1,904	2,448	3,037	2,721	3,983
Total both countries.....	5,140	5,457	7,570	7,456	7,594	7,481	9,704

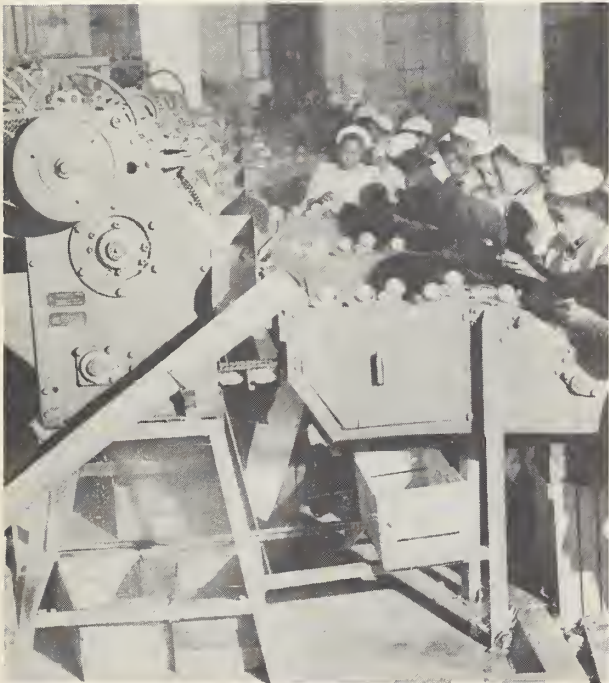
¹ Cases of equivalent 24 No. 2 1/2 cans.

SCENES IN SOUTH AFRICAN CANNING PLANTS
 Right, boxes of raw fruit are weighed.
 Below, peach halves run over grader.



AUSTRALIAN AND SOUTH AFRICAN CANNED DECIDUOUS FRUIT INDUSTRIES

both depend mainly on export markets
 both are major suppliers to the U. K.

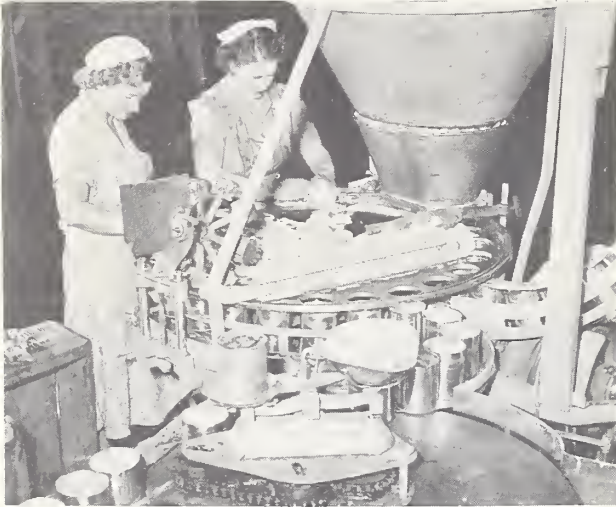


Above, peaches are pitted automatically
 Right, filled cans are checked for weight.





AUSTRALIAN FRUIT, pictured on this page, is being packed in orchard of New South Wales.



Cans of sliced peaches are filled automatically.



Canned fruit is labeled and put into cases.



Cans of peach halves go into mechanical siruper.

CANNING PLANTS

South African canning plants are well planned, and most are equipped with modern American machinery. However, in nearly every plant observed, peach pitting was a hand operation. This was probably because it was economical to employ low-cost labor for this operation. The relatively high percentage of irregularly shaped fruit may also have been a consideration. In the plants visited, there was no evidence of cup-down lye peeling, though some canners displayed considerable interest in this. Sanitation control was good.

Inspectors from the South African Department of Agriculture were checking the packs daily. A few canners also employed Bureau of Standards inspectors in order to give adequate attention to such elements as water purity, sanitation, plant construction, safety features, and ingredient requirements, such as coloring matter and flavoring. Most South African canning plants were well located with respect to raw product supply.

Some Australian plants are excellently laid out and entirely mechanized with the latest type machinery, mostly purchased from America. Late-model peach-pitting machines were observed in several canneries.

An outstanding example of good construction, layout, and sanitation was found in the large modern fruit cannery located at Shepperton, Australia. There, employees worked under conditions comparable to those in the best U.S. plants. Australia's largest deciduous fruit cannery, a cooperative located at Leeton, New South Wales, about 400 miles inland from Sydney, has an annual capacity of 22,000 tons of fruits and vegetables. The North gate cannery, handling pineapple and vegetables, is the largest of all Australian plants with a capacity of 1,500 cans per minute. It has handled as much as 55,000 tons of raw fruit and vegetables in a single season. The plant capacity of most Australian canning plants was said to be fully utilized. The industry, however, is constantly in search of new products and varieties that would lengthen the operating period.

Can Manufacture

Two competitive firms, one known as the Metal Box Company (Continental Can) and the other a reported subsidiary of the American Can Company, operate in Australia. Several Australian canning plants also have their own can manufacturing facilities. Australia expects to produce its own tin plate requirements in the immediate future. In 1956, the following prices were quoted for No. 2 1/2 cans at the indicated points:

	<i>Dollars per thousand</i>
F.o.b. Melbourne	51.52
F.o.b. Adelaide	54.18
F.o.b. Sydney	51.69

In South Africa, a few canneries operate their own can-manufacturing factories, but most cans are supplied by firms specializing in their manufacture. As of early 1957, No. 2 1/2 cans were reportedly selling in South Africa for \$46.70 per thousand.

Cannery Labor and Wages

The workers observed in Australian canneries appeared neat and clean in their uniforms and were not unlike employees of modern U. S. plants. Washrooms and eating facilities were adequate and the relationship between labor and management appeared to be harmonious.

Wages for Australian workers are governed by an award under the Commonwealth Conciliation and Arbitration Act of 1904-1955, commonly referred to as the Food Preservers Award. This legislation prescribes minimum margins for workers in the food processing industry to be paid above the basic or minimum standard-of-living wage. In June of 1956, the basic minimum wage was \$27.78 per week for adult male workers and \$20.83 for adult females. Weekly margins ranged from \$1.90 to \$9.63 additional.

In most South African canneries, native workers predominated and the wage scales were much lower than those of Australia. As of early 1957, women day workers in one cannery reportedly earned between \$8.40 and \$11.20 per week, though a few top piece workers were said

to receive as much as \$22.40 per week. Labor relations seemed good and the workers diligent. In 1954, the Conciliation Board established job descriptions and wage rates for the South African fruit and vegetable canning industry. Weekly wages received in South Africa and Australia for positions of jobs that could be identified as comparable during 1956-57 were:

<u>Job description</u>	<u>Australia</u>	<u>South Africa</u> ¹
	<i>Dol. per week</i>	<i>Dol. per week</i>
Fruit preserver (male).....	34.21	14.42
Machine operator (male).....	31.74	13.58
Supervisor (female).....	24.47	6.53
Retort supervisor (male).....	31.46	10.11
General hand (experienced, male).....	30.55	8.02
Truck driver (male).....	31.52	10.37
General hand (inexperienced, female).....	22.73	4.14

¹ Cost of living allowances, amounting to from 53 to 70 cents per week additional were also received by South African cannery workers..

The Australian work week was 40 hours, consisting of 8 hours daily Monday through Friday. Overtime was paid an employee who worked more than 8 hours on a regular working day, and for any work on Saturdays and Sundays. The overtime rate was time and a half for the first 4 hours and double-time for additional hours. The South African average work week was 46 hours. However, the number of hours of work varied considerably. Overtime rates of one and a half times regular wages applied to the extra hours, while double time was reserved for holidays, such as Christmas and New Year's Day. Piece workers in both South Africa and Australia were provided separate pay schedules for their jobs.

CANNED FRUIT EXPORTS

Canned deciduous fruit exports from all principal exporting countries of the world have grown steadily. The United States continues to be the leading canned fruit exporting country, followed by Australia and South Africa. In 1957-58, 39 percent of the world's canned fruit exports originated in the United States while Australia and South Africa contributed 26 and 21 percent, respectively.

TABLE 5.--Deciduous fruit, canned¹: Total exports from specified countries, average 1934-38 and 1950-54, annual 1954-55 to 1957-58

Country	Average ²		1954-55	1955-56	1956-57	1957-58
	1934-38	1950-54				
	<i>1,000 cases</i> ³	<i>1,000 cases</i> ³	<i>1,000 cases</i> ³	<i>1,000 cases</i> ³	<i>1,000 cases</i> ³	<i>1,000 cases</i> ³
Argentina.....	--	--	53	278	270	704
Australia.....	1,469	2,349	3,734	3,029	2,536	3,426
Belgium-Luxembourg.....	20	183	144	174	172	78
Canada.....	530	31	57	143	77	145
Japan ²	--	3	7	20	75	109
Netherlands.....	--	437	556	470	487	48
Spain.....	--	--	41	196	344	718
Union of South Africa.....	--	1,019	1,977	2,440	2,360	2,850
United States.....	5,064	1,886	2,625	3,709	4,544	5,192
Total.....	7,083	5,908	9,194	10,459	10,865	13,270

¹ Includes apples, apricots, cherries, peaches, pears, plums, fruit cocktail.

² Calendar year.

³ Cases of equivalent 24 No. 2 1/2 cans.

Both the Australian and South African canned fruit industries have been built upon the export trade. The United Kingdom constitutes the principal market for Commonwealth canned fruit. The United Kingdom is the largest importer of canned deciduous fruit, receiving over 60 percent of the world trade of these fruits.

TABLE 6.--Deciduous fruit, canned:¹ Total imports into specified countries, average 1934-38 and 1950-54, annual 1954-55 to 1957-58

Country	Average		1954-55	1955-56	1956-57	1957-58
	1934-38	1950-54				
	1,000 cases ²	1,000 cases ²	1,000 cases ²	1,000 cases ²	1,000 cases ²	1,000 cases ²
Belgium-Luxembourg.....	247	470	441	509	841	1,285
Canada.....	84	865	1,267	963	1,617	1,610
Cuba ³	12	64	61	68	80	4 82
Denmark ³	2	13	30	20	32	4 32
France ³	42	39	56	63	105	111
Germany, West ⁵	--	--	126	151	755	⁶ 1,156
Japan ³	--	3	3	4	4	4
Netherlands.....	37	54	46	58	83	117
New Zealand ³	95	236	207	137	176	4 130
Philippine Republic ³	14	41	48	40	35	4 39
Sweden ³	--	138	225	274	422	302
United Kingdom.....	5,921	2,983	5,248	7,629	6,777	7,103
United States.....	15	174	201	69	94	70
Total.....	6,469	5,080	7,959	9,985	11,021	12,041

¹ Includes apples, apricots, cherries, peaches, pears, plums and cocktail.

² Cases of equivalent 24 No. 2 1/2 cans.

³ Calendar year.

⁴ Estimated.

⁵ May include some pulp and citrus.

⁶ Six months, January-June only.

The export outlets predominate in the marketing of Australian and South African canned deciduous fruits to the extent that 60 and 78 percent of their packs moved abroad during the past three seasons. During the same period, only 7 percent of the U. S. pack was exported.

TABLE 7.--Deciduous fruit, canned: Percentages of canned fruit packs exported by Australia, South Africa, and the United States, 1950-54 average, annual 1954-57

Country	Average 1950-54	1954-55	1955-56	1956-57	1957-58
	Percent	Percent	Percent	Percent	Percent
Australia.....	53.5	74.6	66.5	53.3	59.9
South Africa.....	61.3	78.8	78.1	85.4	70.2
United States.....	3.5	4.6	5.6	6.4	8.0

During the prewar years, approximately 85 percent of Australia's canned fruit exports were to the United Kingdom, with most of the remainder to Canada and New Zealand. Since 1952, the United Kingdom has again taken the bulk of Australian canned fruit exports. A similar pattern also holds for the fast-growing South African fruit canning industry. Both countries also ship substantial quantities of fresh deciduous fruits to the U. K., some of which are ultimately processed.

During World War II and as recently as 1954, the Commonwealth canning industries depended almost entirely upon a single customer in the United Kingdom, the British Ministry of Food. Since 1954, the Ministry has ceased its purchasing activities.

TABLE 8.--Deciduous fruit, selected canned:¹ Exports by country of destination and percent exported to the United Kingdom, average 1951-55, annual 1953-58

Country of destination	Average 1951-55	1953	1954	1955	1956	1957	1958
Australia:	1,000 cases ²	1,000 cases ²	1,000 cases ²	1,000 cases ²	1,000 cases ²	1,000 cases ²	1,000 cases ²
United Kingdom.....	2,282	1,806	3,660	3,385	2,756	2,233	3,253
New Zealand.....	109	70	159	110	75	50	7
Canada.....	56	26	26	51	27	19	19
Other countries.....	264	157	189	95	76	60	68
Total.....	2,711	2,059	4,034	3,641	2,934	2,362	3,347
South Africa:							
United Kingdom.....	1,087	1,135	1,167	1,819	2,267	2,166	2,608
New Zealand.....	61	66	48	30	40	77	68
Canada.....	8	6	4	12	9	20	20
Other countries.....	148	124	140	116	124	97	154
Total.....	1,304	1,331	1,359	1,977	2,440	2,360	2,850
Total both countries....	4,015	3,390	5,393	5,619	5,375	4,722	6,197
Exports to United Kingdom:	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Australia.....	84.2	87.7	90.7	93.0	93.9	94.5	97.2
South Africa.....	83.4	85.3	85.9	92.0	92.9	91.8	91.5

¹ Apricots, peaches and pears.

² Cases of equivalent 24 No. 2 1/2 cans.

Though Australia is a major supplier of canned fruit to the New Zealand market, it is but a minor supplier in the Canadian market. Canadian quality requirements, particularly with respect to sirup strength, and the need to provide special labels and containers for the Canadian trade, have lessened the attractiveness of this market. High ocean freight rates have also been a factor. The Australian Canned Fruits Board has complained of "a whittling away of the tariff preference negotiated under the Australian/Canadian Trade Agreement of 1931 under which valuable trade concessions were extended to Canadian interests and one of the exchanges conceded by Canada was a tariff preference of 4 cents per pound to Australian canned apricots, pears, and peaches." By 1956, this margin had been reduced to half.

Australian canners appear to have had small success in marketing fruit cocktail abroad, largely because of strong competition in the United Kingdom market from products originating in the United States and within the United Kingdom.

Since 1927, the sale and distribution of canned fruits to the principal export markets has been controlled by the Australian Canned Fruits Board. The general functions of the Board are to supervise the marketing, protect the interests of the canners, and, when considered advisable, determine prices and selling conditions. The Board controls the export of canned apricots, pears, peaches, pineapples, pineapple juice, and mixed fruits by means of licenses. The Board is not a trading body; actual exporting is carried out by packer-exporters of agents who specialize in this operation. As of late 1956, upon recommendation of the Board 120 firms were licensed as exporters by the Department of Primary Industry. Only 30 of the 120 were then actively exporting canned fruits, however. Most exporters were also packers.

TABLE 9.--Deciduous fruit, canned:¹ Exports from Australia by country of destination, average 1951-55, annual 1953-58

Commodity and country of destination	Average 1951-55	1953	1954	1955	1956	1957	1958
Apricots:	1,000 cases ²	1,000 cases ²	1,000 cases ²	1,000 cases ²	1,000 cases ²	1,000 cases ²	1,000 cases ²
United Kingdom...	433	335	973	587	503	207	433
New Zealand.....	21	10	42	23	19	23	4
Canada.....	12	7	4	13	6	5	5
Other countries..	33	16	25	19	12	13	22
Total.....	499	368	1,044	642	540	248	464
Peaches:							
United Kingdom...	928	648	1,426	1,358	1,022	593	1,123
New Zealand.....	70	46	95	78	51	22	3
Canada.....	30	11	13	27	13	9	8
Other countries..	127	78	90	40	32	21	25
Total.....	1,155	783	1,624	1,503	1,118	645	1,159
Pears:							
United Kingdom...	921	823	1,261	1,440	1,231	1,433	1,697
New Zealand.....	18	14	22	9	5	5	--
Canada.....	14	8	9	11	8	5	6
Other countries..	104	63	74	36	32	26	21
Total.....	1,057	908	1,366	1,496	1,276	1,469	1,724
Total above.....	2,711	2,059	4,034	3,641	2,934	2,362	3,347

¹ Apricots, peaches, and pears.

² Cases of equivalent 24 No. 2 1/2 cans.

All exports of South African canned fruits are under control of a board chosen to administer the Canned Fruit and Vegetables Export Control Act. Operations under this act started November 1, 1957. In effect, it places all exports of canned fruits under strict control with respect to quantity, kind, and price; and severe penalties are prescribed for any nonconformity to its provisions. Proposed legislation for a special Control Board Act to regulate the entire South African fruit and vegetable industry has been under consideration for several years.

Australian canned deciduous fruit intended for overseas trade must conform to grade standards set forth in the official exports regulations, which are administered by the Department of Primary Industry. Departmental inspectors are stationed at canneries where the fruit is processed to ensure compliance with these standards.

A rise in the percentage of the domestic grade pack is not necessarily a criterion of lower quality, for in many instances it may be solely due to the absence of government inspection. Frequently, the increase in the domestic pack can be attributed to a relative improvement in domestic prices.

Utilization of the annual canned fruit packs by the Australian domestic market is actually much greater than might be assumed from the "domestic grade" category in Table 11, since qualifying for export grade is no warranty that the pack will be exported.

In consumer-size packs, there has been a trend toward smaller size cans in Australia, similar to that in the United States. There has also been an increase in the proportion of the pack going into institutional use.

TABLE 10.--Deciduous fruit, canned:¹ Exports from South Africa by country of destination, average 1953-55, annual 1953-58

Commodity and country of destination	Average 1953-55 ²	1953	1954	1955	1956	1957	1958
Apricots:	1,000 cases ³	1,000 cases ³	1,000 cases ³	1,000 cases ³	1,000 cases ³	1,000 cases ³	1,000 cases ³
United Kingdom...	529	451	429	707	857	508	438
New Zealand.....	23	33	24	13	18	31	30
Canada.....	8	6	4	12	9	20	20
Other countries..	22	22	22	23	23	20	47
Total.....	582	512	479	755	907	579	535
Peaches:							
United Kingdom...	478	561	669	975	1,134	1,296	1,817
New Zealand.....	34	22	20	16	21	47	38
Canada.....	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁵)	(⁵)
Other countries..	89	59	82	56	69	47	77
Total.....	601	642	771	1,047	1,224	1,390	1,932
Pears:							
United Kingdom...	79	123	68	137	276	361	354
New Zealand.....	4	11	4	1	(⁴)	1	(⁵)
Canada.....	(⁴)	(⁴)	(⁴)	0	(⁴)	(⁵)	(⁵)
Other countries..	38	43	37	37	33	29	29
Total.....	121	177	109	175	309	391	383
Total above.....	1,304	1,331	1,359	1,977	2,440	2,360	2,850

¹ Apricots, peaches, and pears.

² 3-year average; apricots not separately classified prior to 1953.

³ Cases of equivalent 24 No. 2 1/2 cans.

⁴ Less than 1,000 cases.

⁵ If any included in "Other countries."

TABLE 11.--Deciduous fruit, canned: Percent of total pack in each quality grade, in Australia, 1952-53 to 1957-58

Quality grade	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58
	Percent of total	Percent of total	Percent of total	Percent of total	Percent of total	Percent of total
Choice.....	1.1	0.9	4.6	4.7	4.1	4.0
Standard.....	60.5	67.7	67.5	62.0	59.2	65.4
Seconds.....	17.0	17.4	15.9	16.7	10.6	7.3
Domestic.....	21.4	14.0	12.0	16.6	26.1	23.3

TABLE 12.--Deciduous fruit, canned: Pack by can sizes, Australia, 1952-53 to 1957-58

Size of can	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58
	Percent of total	Percent of total	Percent of total	Percent of total	Percent of total	Percent of total
8 oz.....	--	--	0.3	0.6	1.3	2.0
No. 1.....	20.1	20.3	31.5	26.5	29.5	41.7
No. 2.....	1.4	.4	.6	.9	1.1	.6
No. 2 1/2.....	77.7	78.4	66.1	70.0	63.9	51.6
No. 10.....	.8	.9	1.5	2.0	4.2	4.1

U. K. IMPORTS

The relative importance of supplies of canned apricots, peaches, and pears from Australia, South Africa, and the United States on the U. K. market is illustrated in Table 13. In 1958, Australia contributed 43 percent, South Africa 34 percent, and the U. S. 8 percent of the total imports of these fruits into the U. K.

TABLE 13.--Deciduous fruit, canned:¹ Imports into the United Kingdom, by country of origin, average 1950-54, annual 1955-58

Commodity and country of origin	Average 1950-54	1955	1956	1957	1958
Apricots:	<i>1,000 cases²</i>	<i>1,000 cases²</i>	<i>1,000 cases²</i>	<i>1,000 cases²</i>	<i>1,000 cases²</i>
Argentina.....	(³)	(³)	0	0	43
Australia.....	324	602	520	216	444
Canada.....	(³)	(³)	(³)	(³)	(³)
Italy.....	(³)	(³)	(³)	(³)	(³)
Spain.....	1	33	44	23	83
South Africa.....	213	728	860	501	421
United States.....	26	1	17	3	1
Other countries.....	24	2	2	1	1
Total.....	588	1,366	1,443	744	993
Peaches:					
Argentina.....	(³)	0	(³)	38	301
Australia.....	712	1,386	1,014	618	1,115
Canada.....	2	40	31	3	35
Italy.....	(³)	(³)	(³)	(³)	(³)
Spain.....	3	92	129	506	268
South Africa.....	280	975	1,145	1,268	1,788
United States.....	72	54	977	100	579
Other countries.....	38	31	47	54	134
Total.....	1,107	2,578	3,343	2,587	4,220
Pears:					
Argentina.....	(³)	0	(³)	31	28
Australia.....	689	1,444	1,223	1,362	1,639
Canada.....	3	(³)	9	1	19
Italy.....	(³)	141	51	54	107
Netherlands.....	(³)	281	152	55	81
Spain.....	(³)	(³)	(³)	(³)	(³)
South Africa.....	52	142	281	347	355
United States.....	(⁴)	373	234	10	7
Other countries.....	56	72	44	16	20
Total.....	800	2,453	1,994	1,876	2,256
Total above fruit.....	2,495	6,397	6,780	5,207	7,469

¹ Apricots, peaches and pears.

² Cases of equivalent 24 No. 2 1/2 cans.

³ If any included in "Other countries."

⁴ Less than 1,000 cases.

PRICES

Under the Export Act, minimum export prices determined for South African canned fruit require the approval of at least 80 percent of the canners and the Minister of Agriculture. Export permits are denied producers who fail to utilize the approved official price schedules.

In Australia, prices are determined by the Australian Canned Fruit Board. The canners sell through agents in the United Kingdom authorized by the Board and at prices not less than those previously determined. All sales are made on a forward basis. Consignment sales are permitted only when unusual circumstances exist.

There is usually close agreement between Australia and South Africa on minimum prices for canned fruit marketed in the United Kingdom. On many occasions, the prices are identical.

A comparison of prices of Australian and South African canned apricots, peaches, and pears with those from the U. S. during recent seasons is provided in Table 14. Normally, U. S. canned peaches were substantially lower in prices, landed duty-paid, than Commonwealth canned peaches. The preferential tariffs have increased U. S. apricots and pears to levels slightly higher than Commonwealth levels.

TABLE 14.--Apricots, peaches, and pears (canned): Comparison of U.S. and Commonwealth prices on the U. K. market, 1955-59

Year	Apricots		Peaches		Pears	
	U.S. ¹	Commonwealth ²	U.S. ¹	Commonwealth ²	U.S. ¹	Commonwealth ²
	<i>Dol. per doz. cans³</i>	<i>Dol. per doz. cans³</i>	<i>Dol. per doz. cans³</i>	<i>Dol. per doz. cans³</i>	<i>Dol. per doz. cans³</i>	<i>Dol. per doz. cans³</i>
Cost, insurance, freight:						
1955.....	3.76	3.78	3.23	3.88	4.11	4.06
1956.....	3.50	3.85	3.43	4.03	4.06	4.27
1957.....	3.76	3.71	3.39	4.41	4.11	4.41
1958.....	3.81	3.64	3.16	4.13	3.86	3.99
1959.....	4.43	3.29	3.46	3.64	4.11	3.71
Landed, duty paid:						
1955.....	4.32	3.96	3.71	4.07	4.72	4.25
1956.....	4.02	4.04	3.94	4.22	4.66	4.47
1957.....	4.32	3.89	3.90	4.61	4.72	4.61
1958.....	4.38	3.82	3.63	4.32	4.44	4.18
1959.....	5.09	3.46	3.98	3.82	4.72	3.89

¹ Based on price quotations in March of the year shown.

² Minimum prices established for Australian and South African canned fruit. South African minimum prices were slightly higher for apricots and peaches in 1957.

³ Choice grade No. 2 1/2 cans.

The short 1958-59 U. S. fruit packs led to prices substantially above the 1959 Commonwealth pack minimum price levels. Increased 1959-60 U. S. supplies and reduced prices, however, have led to opening prices in August 1959 at levels quite competitive to Commonwealth canned fruits.

These price calculations do not allow for quantity discounts by Commonwealth shippers. For the 1959 season, these were as follows:

Number of cases	Discount per case
	<i>U.S. cents</i>
20,000 to 39,999.....	6.9
40,000 to 59,999.....	13.9
60,000 to 79,999.....	20.8
80,000 and over	27.8

INDUSTRY ORGANIZATION

Australian growers and canners are organized into voluntary associations. Ninety-five percent of the canning fruit growers are members of the All-Australian Canning Fruit Growers' Association with headquarters at Shepparton, Victoria. This organization is primarily a bargaining cooperative concerned with growers' interests in negotiating with canners on prices and quality standards. It is also consulted by the Fruit Industry Sugar Concession Committee when minimum prices are set for canning fruit.

The Australian Canners' Association represents both independent and cooperative processing plants. Its membership covers all food canners and is grouped into five sections according to products: Jam, fruit, tomatoes, pineapples, and condiments. The Association also serves in an advisory capacity to the Australian Canned Fruits Board.

The only State statutory authority in the canned fruits industry is the Committee of Direction of Fruit Marketing in Queensland, which was established under the Fruit Marketing Organization Act in 1923. Its principal functions are the organization of low-cost transportation for fruits and vegetables to the markets and the arrangement of bulk-loadings in the principal growing districts.

The South African canned fruit processing industry has a voluntary organization known as the South African Fruit and Vegetable Canners' Association. Its producers are directly affected by activities of the Deciduous Fruit Board. The principal organization is the Langeberg Cooperative, Ltd. Through absorption of a number of large privately owned processing firms in recent years, this cooperative has reached a point where it produces about 80 percent of the total South African canned fruit pack. In 1958, this cooperative established its own selling organization in the United Kingdom.

ADVERTISING AND PROMOTION

Australia's canned fruits are promoted in the United Kingdom with funds obtained from the Australian Government and the Australian Canned Fruits Board. The finances of the Board are drawn principally from levies imposed under the Canned Fruits Export Charge Act. In 1957, the rates were 1.9 cents per dozen No. 2 1/2 cans for canned deciduous fruit. More than half of the Board's annual revenue in 1957 was spent on overseas advertising. The above rates are less than 1/2 percent of the average net returns to exporters from overseas sales. South Africa also carries out promotional activities in the United Kingdom.

British distributors have pressed Australian canners for increased use of buyer's labels, but the bulk of Australian canned fruit continues to move to the U. K. market under packer's brands. This has been more or less mandatory under the Australian Canned Fruits Board regulations, and ties in closely with the current Australian promotion programs in the United Kingdom.

